

**City of Poughkeepsie Industrial Development Agency
Municipal Building
62 Civic Center Plaza
Poughkeepsie, New York 12601**

NOTICE LETTER

March 5, 2025

VIA CERTIFIED MAIL

To: Chief Executive Officers of
Affected Tax Jurisdictions Listed on Schedule A

Re: City of Poughkeepsie Industrial Development Agency:
Rip Van Winkle Apartments Project (the "Project") – Public Hearing

Ladies and Gentlemen:

On Monday, March 24, 2025, at 4:30 p.m., local time, at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York 12601, the City of Poughkeepsie Industrial Development Agency (the "Agency") will conduct a public hearing regarding the above-referenced project. Attached is a copy of the Notice of Public Hearing describing the project and the financial assistance being contemplated by the Agency. The Notice has been submitted to *The Poughkeepsie Journal* for publication.

The Agency it intends to grant an abatement of real property taxes as set forth in paragraph (a) below in order to accomplish the purposes of the Project. Such abatement of real property taxes constitutes a deviation from the Agency's Uniform Tax Exemption Policy. To effectuate such an abatement, it is intended that the Agency execute and deliver a certain payment-in-lieu-of-tax-agreement (the "PILOT Agreement") with respect to the Project. Enclosed herewith is the Notice of Contemplated Deviation.

(a) The PILOT Agreement will be for a term of twenty (20) years and will provide for payment in lieu of taxes ("PILOT") payments of \$509,933 beginning in the first operating year, followed by an annual increase of 2% in operating years 2 through 20.

You are welcome to attend such public hearing at which time you will have an opportunity to review the project Application and present your views, both orally and in writing, with respect to the project. We are providing this notice of public hearing to you, pursuant to General Municipal Law Section 859-(a), as the chief executive officer of an affected tax jurisdiction within which the project is located.

Very truly yours,

CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY

Schedule A

Chief Executive Officers of Affected Tax Jurisdictions

County of Dutchess

The Honorable Sue Serino
Dutchess County Executive
22 Market Street
Poughkeepsie, New York 12601
countyexec@dutchessny.gov

The Honorable Will Truitt
Chair of the Dutchess County Legislature
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City of Poughkeepsie

The Honorable Yvonne Flowers
Mayor of the City of Poughkeepsie
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Mr. Joseph Donat
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Poughkeepsie City School District

Becky Torres
District Clerk
Poughkeepsie City School District
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Dr. Eric Jay Rosser
Superintendent of Schools
Poughkeepsie City School District
18 South Perry Street
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NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the City of Poughkeepsie Industrial Development Agency (the "Agency") on the 24th day of March, 2025, at 4:30 P.M. local time, at the Poughkeepsie Common Council Chambers, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York. The public hearing will concern the Agency providing financial assistance for a project more fully described below.

Rip Van Winkle Preservation, LLC (the "Applicant") has submitted an Application for Financial Assistance (the "Application") to the City of Poughkeepsie Industrial Development Agency (the "Agency") for financial assistance with respect to (i) the acquisition by title, possession or control (by deed, lease, license or otherwise) of an approximately 4.9 acre parcel of land at 10 Rinaldi Boulevard, City of Poughkeepsie, New York (the "Premises"), and the existing 179-unit Rip Van Winkle House Apartments located thereon containing in the aggregate approximately 221,846 square feet of space (the "Existing Improvements"), (ii) the reconstruction, renovation, rehabilitation and equipping of the Existing Improvements, including in-unit and exterior updates, common area improvements, exterior improvements, the construction of an addition of a new approximately 2,000 square foot community room, deep energy retrofit work, and the installation of free in-unit Wi-Fi (the "Improvements"); and (iii) the acquisition and installation by the Company in and around the Premises and the Improvements of items of equipment, machinery and other tangible personal property (collectively, the "Project").

The Applicant requests Agency financial assistance for the Project, to be located at the Premises, at a project cost of approximately \$90,131,060. The Applicant has requested financial assistance from the Agency in the form of (i) sales tax exemptions of approximately \$1,720,733 with respect to the cost of acquiring or leasing materials and equipment, (ii) exemptions from payment of mortgage recording tax in the approximate amount of \$760,987 with respect to any mortgage(s) securing the financing for the Project (to the extent available under applicable law) and (iii) a 20-year payments in lieu of taxes (PILOT) benefit for real property taxes which will provide for PILOT payments of \$509,933 beginning in the first operating year, followed by an annual increase of 2% in operating years 2 through 20. **The Agency has determined that the proposed payment in lieu of taxes arrangement constitutes a deviation from the Agency's Uniform Tax Exemption Policy.**

Copies of the Applicant's application for financial assistance is posted on-line at the Agency website page at <https://cityofpoughkeepsie.com/279/IDA-Projects>. Interested individuals may also submit written comments to the Agency on or before the date of the public hearing, Attention: Rose Graziano-Moffett, Chair, City of Poughkeepsie IDA, P.O. Box 4971, Poughkeepsie, New York 12602 or via e-mail at grazianomoffett.pkida@gmail.com.

The Agency will, at the above-stated time and place, hear all persons with views in favor of or opposed to the financial assistance described herein. A representative of the Agency will at the above-stated time and place hear oral comments and accept written comments from all persons with views in favor of or opposed to the granting of any of the foregoing financial assistance or the location or nature of the Project.

Dated: March 7, 2025

CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY

**City of Poughkeepsie Industrial Development Agency
Municipal Building
62 Civic Center Plaza
Poughkeepsie, New York 12601**

NOTICE OF CONTEMPLATED DEVIATION

March 5, 2025

VIA CERTIFIED MAIL

To: The Attached List of Affected Tax Jurisdictions on Schedule A

**Re: City of Poughkeepsie Industrial Development Agency
Rip Van Winkle Preservation, LLC
Notice of Contemplated Deviation**

Ladies and Gentlemen:

Rip Van Winkle Preservation, LLC (the "Company") submitted an application (the "Application") to the City of Poughkeepsie Industrial Development Agency (the "Agency") requesting that the Agency provide certain financial assistance to the Company in connection with a certain project (the "Project") for the benefit of the Company consisting of: (i) the Agency taking title, possession or control (by deed, lease, license or otherwise) of an approximately 4.9 acre parcel of land at 10 Rinaldi Boulevard, City of Poughkeepsie, New York (the "Land"), and the existing 179-unit Rip Van Winkle House Apartments located thereon containing in the aggregate approximately 221,846 square feet of space (the "Existing Improvements"); (ii) the reconstruction, renovation, rehabilitation and equipping of the Existing Improvements, including (a) in-unit and exterior updates: new counters, cabinets, fixtures, appliances, lighting, tubs, flooring, doors, painting, plumbing repair/replacement of both sanitary and supply lines and asbestos remediation (as needed) plus a certain number of units will be made fully handicap/ADA-compliant to improve site accessibility; (b) common areas: new flooring, painting, and updates/upgrades to the office, laundry, mail and the addition of a new approximately 2,000 sq. ft. community room (i.e., a new building addition which will require ground disturbance and the removal of a single tree); (c) exterior: changes to exterior lighting, parking lot repairs, landscaping and other items; (d) deep energy retrofit work: new energy-efficient windows, heat pump installation, electrical service upgrades, AC unit installation, and solar energy retrofit measures, including solar car ports, and (e) free in-unit Wi-Fi will be added throughout (collectively, the "Improvements"); and (iii) the acquisition and installation by the Company in and around the Land, the Existing Improvements and the Improvements of items of equipment, machinery and other tangible personal property (the "Equipment"; and, together with the Land, the Existing Improvements and the Improvements, the "Facility").

On Monday, March 24, 2025, at 4:30 p.m., local time, at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York 12601, the Agency will hold a public hearing with respect to the Project. Notice of the public hearing was given to you as the chief executive officer of an affected tax jurisdiction within which the Facility

is located by the Agency in accordance with General Municipal Law Section 859-(a) under notice letter dated March 5, 2025 (the "Notice Letter"). Pursuant to the Notice Letter, the Agency informed you that it intended to grant an abatement of real property taxes as set forth in paragraph (a) below in order to accomplish the purposes of the Project. To effectuate such an abatement, it is intended that the Agency execute and deliver a certain payment-in-lieu-of-tax-agreement (the "PILOT Agreement") with respect to the Facility. We are hereby notifying you that the terms of the PILOT Agreement are proposed to deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). The Agency is contemplating a deviation from the Policy as follows:

- (a) The PILOT Agreement will be for a term of twenty (20) years and will provide for payment in lieu of taxes ("PILOT") payments of \$509,933 beginning in the first operating year, followed by an annual increase of 2% in operating years 2 through 20. The PILOT schedule is detailed in Schedule B.

Based upon the application submitted by the Company for financial assistance with respect to the Project, the cost benefit analysis undertaken by the Agency and discussions between the Company and representatives of the Agency, the Agency has concluded that the proposed deviation from the PILOT schedule will make it financially feasible for the Company to redevelop this parcel of land in the City of Poughkeepsie. The Project would preserve a critical housing asset for the greater Poughkeepsie community which is a highly desirable special attribute and characteristic of the Project. The City of Poughkeepsie 2022 Housing Needs Assessment developed by Hudson Valley Pattern for Progress indicated that housing has become increasingly unaffordable for the residents of Poughkeepsie, a byproduct of both depressed income and elevated housing costs in the City. Moreover, the proximity of the Project to the rapidly developing Main Street and other significant economic nodes such as the Poughkeepsie Station presents an opportunity to allow for tenants who would otherwise be subject to the displacement/exclusionary forces of gentrification to contribute to and participate in the ongoing revival of Poughkeepsie. The proposed Project will have a significant impact by preserving 179 units of high-quality affordable housing. The proposed PILOT deviation affects only the amount of the PILOT payments and duration of the PILOT schedule and does not affect the allocation of the PILOT payments as among the affected taxing jurisdictions, which allocation will be determined as if the Land remained as a taxable parcel on Roll Section 1 (Taxable) of the tax rolls of the Assessor of the City of Poughkeepsie.

Upon due consideration of the Company's Application, the various positive economic and social impacts of the Project and the Project's general satisfaction of several considerations set forth within the Policy, the Agency desires to execute and deliver the PILOT Agreement and provide for a potential deviation from its Policy.

We are providing this letter to you, pursuant to Section 874 of the General Municipal Law, as the chief executive officer of an affected tax jurisdiction within which the Facility is located to notify you of a proposed deviation from the Agency's Policy.

**CITY OF POUGHKEEPSIE
INDUSTRIAL DEVELOPMENT AGENCY**

By: Rose Graziano-Moffett, Chair

Schedule A

Chief Executive Officers of Affected Tax Jurisdictions

County of Dutchess

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Schedule B

Proposed PILOT Schedule

PILOT SCHEDULE (10% of Shelter Rent)				
Rip Van Winkle House Apartments				
Total Units		179		
Gross SF		221,846		
Existing Taxes		\$464,916		
Current Taxes/Unit		\$2,597		
10% EGI Calculation (Year 1)				
Effective Gross Income		\$5,099,330		
Multiplied by...		10.00%		
10% EGI		\$509,933		
PILOT/Unit		\$2,849		
Escalator		2.00%		
PILOT Year	Existing Taxes	PILOT	Per Unit	Increment Over Existing Taxes
Construction	\$464,916	\$464,916	\$2,597	\$0
1	\$464,916	\$509,933	\$2,849	\$45,017
2	\$474,214	\$520,132	\$2,906	\$45,917
3	\$483,699	\$530,534	\$2,964	\$46,836
4	\$493,373	\$541,145	\$3,023	\$47,772
5	\$503,240	\$551,968	\$3,084	\$48,728
6	\$513,305	\$563,007	\$3,145	\$49,702
7	\$523,571	\$574,267	\$3,208	\$50,696
8	\$534,042	\$585,753	\$3,272	\$51,710
9	\$544,723	\$597,468	\$3,338	\$52,745
10	\$555,618	\$609,417	\$3,405	\$53,799
11	\$566,730	\$621,605	\$3,473	\$54,875
12	\$578,065	\$634,038	\$3,542	\$55,973
13	\$589,626	\$646,718	\$3,613	\$57,092
14	\$601,418	\$659,653	\$3,685	\$58,234
15	\$613,447	\$672,846	\$3,759	\$59,399
16	\$625,716	\$686,303	\$3,834	\$60,587
17	\$638,230	\$700,029	\$3,911	\$61,799
18	\$650,995	\$714,029	\$3,989	\$63,035
19	\$664,015	\$728,310	\$4,069	\$64,295
20	\$677,295	\$742,876	\$4,150	\$65,581
Total		\$12,390,031		\$1,093,795
\$619,502 average				
\$3,461 avg. per unit				